Federal Communications Commission		FCC 99-247			
Befo Federal Communi Washington		ns Commission			***
In the Matter of)		2	Ser 23	
New York State Department of Public Service Petition for Additional Delegated Authority to Implement Number Conservation Measures)))	CC Docket No. 96-98 NSD File No. L-99-21		<u>د</u>	:
ORDER			٠	<u>.</u>	
Adopted: September 15, 1999		Released: Se	ptembe	r 15, 1999	

By the Commission:

I. INTRODUCTION

This order responds to the New York State Department of Public Service (New 1. York Commission) Petition for Additional Delegated Authority to Implement Number Conservation Measures (Petition) requesting additional authority from the Commission to implement various area code conservation measures in the state of New York. We herein conditionally grant the New York Commission the authority to institute thousands-block pooling trials; reclaim unused and reserved NXX codes, and portions of those codes; establish numbering allocation standards, including enforcement of those standards; and audit carriers' use of numbering resources. We deny the New York Commission's request for authority to implement unassigned number porting and individual telephone number pooling. At this time, we decline to reach the New York Commission's request to adopt numbering rationing plans prior to reaching area code relief decisions. Although we grant the New York Commission interim authority to institute many of the optimization measures raised in its Petition, this grant will be superseded by forthcoming decisions in the Numbering Resource Optimization proceeding that will establish national guidelines, standards, and procedures for numbering optimization. Thus, this limited grant of delegated authority should not be construed as prejudging any of the issues on which the Commission has sought public comment in the Numbering Resource Optimization Notice.

II. BACKGROUND

2. Congress granted the Commission plenary jurisdiction over numbering issues.² Section 251(e) of the Act also allows the Commission to delegate to state commissions all or any

See Numbering Resource Optimization, Notice of Proposed Rulemaking, CC Docket No. 99-200, FCC 99-122 (rel. June 2, 1999) (Numbering Resource Optimization Notice).

² 47 U.S.C. § 251(e).

portion of its jurisdiction over numbering administration.³ The Commission's regulations generally require that numbering administration: (1) facilitate entry into the telecommunications marketplace by making telecommunications resources available on an efficient and timely basis to telecommunications carriers; (2) not unduly favor or disfavor any particular industry segment or group of telecommunications consumers; and (3) not unduly favor one telecommunications technology over another.⁴ Further, our regulations specify that, if the Commission delegates any telecommunications numbering administration functions to any state, the states must perform the functions in a manner consistent with these general requirements.⁵

- 3. On September 28, 1998, the Commission released the *Pennsylvania Numbering Order* delegating additional authority to state commissions to order NXX code rationing in conjunction with area code relief decisions, in the absence of industry consensus.⁶ The order further approved a mandatory thousands-block number pooling trial in Illinois.⁷ The order provided that state utility commissions could order voluntary pooling trials,⁸ but in view of the Commissions' efforts to develop national pooling standards, we declined to delegate to state commissions the general authority to order mandatory number pooling.⁹ The *Pennsylvania Numbering Order*, however, encouraged state commissions to seek further limited delegations of authority to implement other innovative number conservation methods prior to implementing number conservation plans.¹⁰
- 4. The New York Commission filed its Petition pursuant to our invitation in the *Pennsylvania Numbering Order* encouraging state commissions to seek additional delegations of authority.¹¹ In its Petition, the New York Commission requests that the Commission grant it the authority to: (1) implement thousands-block number pooling; (2) implement individual telephone number pooling; (3) implement unassigned number porting; (4) require carriers to meet minimum fill rates prior to being assigned additional numbering resources; (5) reclaim unused NXX codes and thousands blocks; (6) require completion of a number utilization survey before

³ 47 U.S.C. § 251(e)(1).

⁴ 47 C.F.R. § 52.9(a).

⁵ 47 C.F.R. § 52.9(b).

⁶ Petition for Declaratory Ruling and Request for Expedited Action on the July 15, 1997 Order of the Pennsylvania Public Utility Commission Regarding Area Codes 412, 610, 215, and 717, *Memorandum Opinion and Order and Order on Reconsideration*, CC Docket No. 96-98, 13 FCC Rcd 19009, 19025, ¶ 26 (1998) (*Pennsylvania Numbering Order*).

⁷ Id. at 19029-30, ¶ 30.

⁸ Id. at 19027-28, ¶¶ 27-28.

⁹ Id. at 19027, ¶ 27. Subject to conditions, we permitted states to order the withholding of a certain number of NXX codes within a new area code from assignment and saved for pooling. Id.

¹⁰ Id. at 19030, ¶ 31.

¹¹ Petition at 2.

numbers are assigned; (7) adopt rationing plans, in the event industry consensus is not reached, after jeopardy has been declared but prior to an area code relief decision; (8) enforce compliance with number assignment requirements and conservation measures; and (9) audit carriers' use of numbering resources.¹² The New York Commission states that it seeks this authority to ensure more efficient assignment of existing resources, maintain competitive equity among carriers, minimize increases in costs and rates to consumers, and avoid unnecessarily introducing new area codes.¹³ On March 5, 1999, the Petition was placed on Public Notice for public comment.¹⁴

III. DISCUSSION

- 5. We recognize that the area code situation in New York is critical, with several area codes exhausting at a rate far exceeding their initial projected life spans. ¹⁵ In light of this extreme situation and in order to empower the New York Commission to take steps to make number utilization more efficient, we herein grant significant additional authority to the New York Commission. In some instances, we are granting the New York Commission authority that goes beyond the parameters outlined in the *Pennsylvania Numbering Order*, because we find such grant to be appropriate in light of the specific circumstances in New York.
- 6. Many of the measures proposed in the New York Commission's Petition are also examined in a Notice of Proposed Rulemaking that this Commission recently released. Although we grant the New York Commission interim authority to institute many of the optimization measures in the Petition, we do so subject to the caveat that this grant will be superseded by forthcoming decisions in the *Numbering Resource Optimization* proceeding that will establish national guidelines, standards, and procedures for numbering optimization. This limited grant of delegated authority should not be construed as a prejudgment of any of the measures on which the Commission has sought public comment in the *Numbering Resource Optimization Notice*.
- 7. Congress granted this Commission exclusive jurisdiction over those portions of the North American Numbering Plan (NANP) that relate to the United States, and directed that the Commission administer the NANP in a manner which assures that numbering resources are

¹² Petition at 2-3, 11-12.

Petition at 2.

¹⁴ Common Carrier Bureau Seeks Comment on New York Department of Public Service Petition for Additional Authority to Implement Number Conservation Measures, *Public Notice*, DA 99-462 (rel. Mar. 5, 1999). See also Common Carrier Bureau Seeks Comment on State Utility Commission Requests for Additional Authority to Implement Telecommunications Numbering Conservation Measures, *Public Notice*, DA 99-1198 (rel. June 22, 1999).

Petition at 5 n.9. For example, the New York Commission notes that the 718 area code, when introduced in 1985, was projected to last 70 years. *Id.* In 1992, the expected life of 718 had fallen to 32 years, and by 1998, the expected life had fallen to one year. *Id.* Similarly, when the 917 overlay was introduced in 1992, it was expected to last 18 years, but by 1998, the expected life of 917 was only one year. *Id.*

¹⁶ See Numbering Resource Optimization Notice.

available on an equitable basis.¹⁷ The Commission was also granted the authority to delegate this jurisdiction to state utility commissions. Thus, while we grant authority below to the New York Commission to engage in various matters related to administration of the NANP in New York, we require the New York Commission to abide by the same general requirements that this Commission has imposed on the numbering administrator. Thus, the New York Commission, to the extent it acts under the authority delegated herein, must ensure that numbers are made available on an equitable basis; that numbering resources are made available on an efficient and timely basis; that whatever policies the New York Commission institutes with regard to numbering administration not unduly favor or disfavor any particular telecommunications industry segment or group of telecommunications consumers; and that the New York Commission not unduly favor one telecommunications technology over another.¹⁸

- 8. The grants of authority herein are not intended to allow the New York Commission to engage in number conservation measures to the exclusion of, or as a substitute for, unavoidable and timely area code relief.¹⁹ While we are giving the New York Commission tools that may prolong the lives of existing area codes, the New York Commission continues to bear the obligation of implementing area code relief when necessary, and we expect the New York Commission to fulfill this obligation in a timely manner. Under no circumstances should consumers be precluded from receiving telecommunications services of their choice from providers of their choice for a want of numbering resources. For consumers to benefit from the competition envisioned by the Telecommunications Act of 1996, it is imperative that competitors in the telecommunications marketplace face as few barriers to entry as possible.
- 9. Several commenting parties urged the Commission to grant the New York Commission's Petition in its entirety on the basis that state utility commissions require greater authority to implement other number conservation measures in order to rectify the causes of area code exhaust. Other parties suggested that we deny the Petition on the basis that number conservation measures must be developed at the national level, and that the Petition does not provide an adequate basis on which to grant the requested delegation of authority. 1
- 10. Thousands-block number pooling. The New York Commission requests authority to institute mandatory thousands-block number pooling.²² This Commission tentatively

¹⁷ 47 U.S.C. § 251(e)(1).

¹⁸ See 47 C.F.R. § 52.9(a). See also 47 U.S.C. § 251(e)(1).

¹⁹ Pennsylvania Numbering Order at 19027, ¶ 26.

See Connecticut Commission Comments; Missouri Commission Comments; New Hampshire Commission comments; Ohio Commission comments; Pennsylvania Office of Consumer Advocate comments; Pennsylvania Commission comments.

²¹ See CTIA comments; Nextel comments; PageNet comments; PCIA comments; SBC comments; US West comments.

Historically, network routing mechanisms are based upon the understanding that geographic numbers are assigned on an NXX code basis and associated with a specific switch, and, correspondingly, that the network address to which the call must be routed is embedded in the first six digits (NPA-NXX) of the called number.

concluded that thousands-block pooling is an important numbering resource optimization strategy, essential to extending the life of the NANP.²³ In granting the Illinois Commission the authority to engage in a mandatory thousands-block pooling trial in the *Pennsylvania Numbering Order*, this Commission recognized that state number pooling trials could aid in developing national pooling implementation, architecture, and administrative standards.²⁴ The New York Commission, noting its voluntary number pooling trial has not experienced a high level of carrier participation, requests the authority to implement mandatory thousands-block pooling in New York.²⁵

- 11. Commenters representing incumbent local exchange carriers oppose permitting state utility commissions to order thousands-block pooling trials, on the basis that mandatory pooling trials divert resources from nationwide efforts to establish thousands-block pooling. Several wireless carriers have also voiced their opposition to thousands-block pooling trials based on the premise that such trials would require the implementation of local number portability (LNP) or would discriminate against non-LNP capable carriers. Some competitive local exchange carriers and other state utility commissions have voiced their support for thousands-block pooling trials as a means to allocate numbers more efficiently and ensure that carriers are given greater access to numbering resources. ²⁸
- 12. We have been concerned that the existence of multiple pooling trials in a state or region may strain the capacities of carriers' Service Control Points (SCPs),²⁹ which could affect the ability of carriers' networks to perform LNP and pooling functions. We note, however, that the volume of ported numbers is significantly lower than previously anticipated.³⁰

Thousands-block umber pooling allows service providers in a given area to receive numbers in blocks of 1,000 by breaking the association between the NPA-NXX and the service provider to whom the call is routed. Through number pooling, participating carriers can effectively share numbering resources from NXX codes rather than receiving an entire NXX code at a time. Numbering Resource Optimization Notice at ¶ 130.

²³ Numbering Resource Optimization Notice at ¶ 138.

²⁴ See id. at ¶ 158.

Petition at 7-8.

²⁶ See USTA comments at 5.

²⁷ See CTIA comments at 8; PageNet comments at 4; PCIA comments at 4-5.

²⁸ See California Commission comments at 11; Focal comments at 3; MediaOne comments at 7-8; New York Commission comments at 4.

A Service Control Point (SCP) is a database in the public switched network which contains information and call processing instructions needed to process and complete a telephone call. The network switches access an SCP to obtain such information. Telephone Number Portability, First Report and Order and Further Notice of Proposed Rulemaking, CC Docket No. 95-116, 11 FCC Rcd 8352, 8402 n.288 (1996).

³⁰ A projection by the Local Number Portability Administrator, Lockheed Martin IMS, and all seven LLCs projected that over a two-year period, a total of 634,556 numbers would be ported during 1998 and 2,658,669

- Although we remain concerned about the potential strain which multiple. 13. thousands-block pooling trials in an Metropolitan Statistical Area (MSA),³¹ state, or region may have on the functioning of the public switched telephone network, we nonetheless believe this relief is appropriate given the strain on New York's numbering resources. Furthermore, since the release of the *Pennsylvania Numbering Order*, the telecommunications industry has arrived at detailed guidelines governing the technical and administrative functioning of thousands-block number pooling. In the *Pennsylvania Numbering Order*, we stated that upon the establishment of uniform, national standards for pooling, we may determine that it is appropriate to delegate to state commissions the additional authority to implement and enforce those standards.³² We therefore grant authority to the New York Commission to conduct mandatory thousands-block number pooling trials in New York. We agree with the concern raised by many wireline commenters, however, that inconsistent pooling trials could pose a burden to carriers. To ameliorate this concern, we direct the New York Commission to conduct its pooling trial in accordance with industry-adopted thousands-block pooling guidelines.³³ Where the New York Commission determines that changes, modifications, or departures from the guidelines are desirable, we direct the New York Commission to consult with the industry prior to implementing such changes. Although we will not dictate the manner in which the Commission should consult with industry, the Commission should, at a minimum, seek input from the industry regarding the implications of any proposed changes to the guidelines so that the Commission may be able to weigh the industry's concerns in its decision-making process.
- 14. We grant this authority subject to the conditions and safeguards similar to those enumerated in the *Pennsylvania Numbering Order* that granted such authority to Illinois.³⁴ Thus, we require that in any NPA which is in jeopardy in which the New York Commission implements a pooling trial, the New York Commission must take all necessary steps to prepare an NPA relief plan that it may adopt in the event that numbering resources in the NPA at issue

numbers would be ported during 1999 for a single region. Since there are seven LLCs, the total amount of ported numbers nationwide for the two years is projected to be 23.05 million. LNPA Industry Demand Model, Exhibit N-1, at 5 (1998). The actual amount of total numbers ported as of May 1999 was only 1,789,369. See Local Competition: August 199, Industry Analysis Division, Common Carrier Bureau, Federal Communications Commission.

MSAs are geographic areas designated by the Bureau of Census for purposes of collecting and analyzing data. The boundaries of MSAs are defined using statistics that are widely recognized as indications of metropolitan character. See Policy and Rules Concerning Rates for Dominant Carriers, *Memorandum Opinion and Order*, CC Docket No. 87-313, FCC 97-168 (rel. May 30, 1997) at 17 n.26. When implementing LNP, the Commission established a phased implementation schedule based on MSAs. Telephone Number Portability, *First Report and Order and Further Notice of Proposed Rulemaking*, CC Docket No. 95-116, RM 8535, 11 FCC Rcd 8352, 8394-95, ¶81 (1996).

³² *Id.* at 19028, ¶ 28.

Thousand Block (NXX-X) Pooling Administration Guidelines, Draft (INC 99-0127-023) (rev. Jan. 27, 1999) (Thousand Block Pooling Guidelines). This document is available at http://www.atis.org/atis/clc/inc/incdocs.htm.

³⁴ Pennsylvania Numbering Order at 19029-30, ¶ 30.

are in imminent danger of being exhausted.³⁵ This criterion is not intended to require the New York Commission to implement an NPA relief plan prior to requiring thousands-block number pooling in New York. Rather, we require only that the New York Commission must be prepared to implement a "back-up" NPA relief plan prior to the exhaustion of numbering resources in the NPA at issue.³⁶ Consumers should never be in the position of being unable to exercise their choice of carrier because that carrier does not have access to numbering resources. This criterion attempts to ensure that consumers continue to retain a choice of telecommunications providers in the event that the pooling trial or trials do not stave off the need for area code relief.

Only those carriers that have implemented permanent LNP shall be subject to the trial.³⁷ At the present time, we do not grant the state commission the authority to require a carrier to acquire LNP solely for the purpose of being able to participate in a thousands-block pooling trial. Carriers are only required to implement LNP if requested by another carrier subject to the requirements established by this Commission.³⁸ Within NPAs that are subject to the pooling trial, non-LNP capable carriers shall have the same access to numbering resources after pooling is implemented that they had prior to the implementation of a pooling regime, i.e., non-LNP capable carriers shall continue to be able to obtain full NXX codes. We recognize that conditioning the New York Commission's authority to implement a mandatory thousands-block pooling trial on exemption of non-LNP capable carriers from participation in the trial will create a disparity in the way different types of service providers obtain access to numbering resources, in tension with the criteria set forth above.³⁹ In order to ensure that consumers may continue to obtain service from non-LNP capable carriers of their choosing, however, we find that for the purposes of this interim delegation, it is necessary to safeguard these carriers' access to numbering resources, while they lack the technical capability to participate in pooling. The Numbering Resource Optimization Notice raises a number of issues relating to non-LNP capable

In Illinois, the Illinois Commission recognized a "back-up plan" was necessary because the pooling solution had not been completely developed or tested. Thus, it ordered that an all-services overlay would supersede the pooling trial in the event that the NXXs in the 847 NPA were depleted. *Id.*

See Petition by Citizens Utility Board to Implement a form of telephone number conservation known as number pooling within the 312, 773, 847, 630, and 708 area codes and Petition by Illinois Bell Telephone Company for Approval of an NPA Relief Plan for the 847 NPA, Docket Nos. 97-0192 and 97-0211 (Consol.), Order (May 11, 1998) (establishing an area code overlay as a back-up plan concurrently with ordering thousands-block pooling in the 847 NPA). Although the Illinois Commission had an NPA relief plan in place in the 847 NPA to relieve what it had forecast to be imminent exhaust, through number conservation measures, including thousands-block pooling, it has forestalled the need for area code relief. See Petition of the Illinois Commerce Commission for Expedited Temporary Waiver of 47 C.F.R. § 52.19(c)(3)(ii) at 2-3 (filed August 11, 1999).

Wireless carriers are not require to implement LNP until November 2002, or until this Commission releases an order establishing requirements for wireless carriers' participation in number pooling in the *Numbering Resource Optimization* docket. *See* Cellular Telecommunications Industry Association's Petition for Forbearance From Commercial Mobile Radio Services Number Portability Obligations and Telephone Number Portability, *Memorandum Opinion and Order*, WT Docket No. 98-229 and CC Docket No. 95-116, 14 FCC Rcd. 3092, 3116, ¶ 48 (1999).

³⁸ See 47 C.F.R. § 52.23(b)-(c).

³⁹ See supra ¶ 8.

carriers' participation in pooling, and we believe these issues are best addressed in the larger rulemaking context. In the meantime, we suggest to the New York Commission that it urge the non-LNP capable carriers to use various other numbering resource optimization strategies such as those discussed in the *Numbering Resource Optimization Notice* to improve the efficiency of numbering resources assigned to such carriers.

- 16. We direct the New York Commission to ensure that an adequate transition time is provided to carriers to implement pooling in their switches and administrative systems. Thousands-block pooling requires carriers to alter significantly the manner in which they account for their inventory of telephone numbers, including changing their Operations Support Systems (OSSs) and retraining their staffs. In addition, we also urge the New York Commission not to require carriers to engage in processes related to thousands-block pooling which might divert critical resources away from preparations related to the Year 2000 rollover. 41
- 17. We further require that the New York Commission determine the method to recover the costs of the pooling trial.⁴² The New York Commission must also determine how carrier-specific costs directly related to pooling administration should be recovered.⁴³ The Commission has tentatively concluded that thousands-block number pooling is a numbering administration function, and that section 251(e)(2) authorizes the Commission to provide the distribution and recovery mechanisms for the interstate and intrastate costs of number pooling.⁴⁴ We conclude that inasmuch as we are hereby delegating numbering administration authority to the New York Commission, the New York Commission must abide by the same statute applicable to this Commission, and, therefore, ensure that costs of number pooling are recovered in a competitively neutral manner.⁴⁵ We note that the *Telephone Number Portability* proceeding found that section 251(e)(2) requires all carriers to bear the costs of number portability on a competitively neutral basis, and, thus, established a cost recovery mechanism that assesses even

See Letter from Todd D. Daubert, Counsel for Winstar, to Magalie R. Salas, Secretary, FCC, dated July 28, 1999.

⁴¹ See National Association of Regulatory Utility Commissioners (NARUC), "Resolution Urging State Commissions to Consider Honoring Utility Requests to Defer Deadlines Because of Y2K Considerations," adopted July 23, 1999. See also Memorandum from Jacob J. Lew, Director, Chief Information Officers Council, to the heads of executive departments and agencies, dated May 14, 1999 (requesting that federal agencies refrain from establishing requirements that would have an adverse effect on the Year 2000 readiness of regulated entities).

The Numbering Resource Optimization Notice tentatively concluded that thousands-block number pooling administration involved three categories of costs: (1) shared industry costs, which include the cost to fund the pooling administrator; (2) carrier-specific costs directly related to thousands-block pooling implementation, including, for example, costs directly related to updating carriers' LSMS to support pooling; and (3) carrier-specific costs not directly relating to thousands-block pooling implementation. Numbering Resource Optimization Notice at ¶ 203-09.

⁴³ See Numbering Resource Optimization Notice at ¶ 197.

⁴⁴ *Id.* at ¶ 193.

⁴⁵ 47 U.S.C. § 251(e)(2).

carriers that cannot or have not implemented LNP to date.⁴⁶ The New York Commission may consider the recently released *Telephone Number Portability* Order for guidance regarding the criteria with which a cost recovery mechanism must comply in order to be considered competitively neutral:

First, "a 'competitively neutral' cost recovery mechanism should not give one service provider an appreciable, incremental cost advantage over another service provider, when competing for a specific subscriber." Second, the cost recovery mechanism "should not have a disparate effect on the ability of competing service providers to earn normal returns on their investments."

Consistent with our treatment of cost recovery in the *Telephone Number Portability* proceeding, we believe that even those carriers that cannot participate in pooling at this time will benefit from the more efficient use of numbering resources that pooling will facilitate. We also encourage the New York Commission to consider the "road map" provided by the *Numbering Resource Optimization Notice* regarding cost recovery for thousands-block number pooling.⁴⁸

- 18. In order to minimize possible disruption and expense and maximize the value of the information that can be obtained from a number pooling trial, we believe that such a trial should be limited in nature. As an initial matter, we limit the authority we grant to the New York Commission to a trial that generally covers one MSA. We believe that such a limitation strikes the appropriate balance between the New York Commission's desire to move quickly to implement measures that will enhance number utilization efficiency, and possibly prolong the lives of certain area codes in New York and our obligation to ensure that such pooling trials are implemented and conducted in a manner that does not disrupt network operations or reliability. We believe these goals ultimately benefit consumers in New York by allowing the New York Commission to move forward with a pooling trial quickly in whatever area it determines it is most necessary, while providing some assurance that the network changes required for the trials are implemented in a manner that does not disrupt the normal functioning of the network in New York and nationwide.
- 19. After having implemented a thousands-block number pooling trial in one MSA, the New York Commission may wish to expand to another MSA.⁴⁹ Should it wish to do so, we

Telephone Number Portability, *Third Report and Order*, 13 FCC Rcd 11701, 11759 (1998). The Commission also found that it was equitable for all telecommunications carriers, even those without end-user revenues and those not directly involved in number portability, to contribute towards LNP costs because they will all benefit from number portability's role in increasing local competition and ameliorating number exhaust concerns by making number pooling possible. *Id.*

⁴⁷ Telephone Number Portability, Fourth Memorandum Opinion and Order on Reconsideration, CC Docket No. 95-116, RM 8535, FCC 99-151, at ¶ 32 (rel. July 16, 1999) (citing Telephone Number Portability, CC Docket No. 95-116, First Report and Order and Further Notice of Proposed Rulemaking, 11 FCC Rcd 8352, 8420-21 (1996)).

Numbering Resource Optimization Notice at ¶ 193-210.

⁴⁹ A thousands-block pooling trial is implemented when LNP-capable carriers are contributing and receiving numbers in blocks of 1,000 from the pool. Furthermore, for a pooling trial to have been implemented, a pooling

direct the New York Commission to allow sufficient transition time for carriers to undertake any necessary steps, such as modifying databases and upgrading switch software, to prepare for an expansion of thousands-block pooling to another MSA. In other words, start dates for thousands-block pooling trials in different MSAs should be appropriately staggered to permit the industry to undertake all necessary steps. The purpose of a staggered roll-out is to provide carriers time to upgrade or replace their SCPs and other components of their network, as necessary, if the increased volume of ported numbers as a result of the pooling trial requires them to do so.

- 20. We suggest to the New York Commission that it consider concentrating its thousands-block pooling trial in those NPAs which are the best candidates for pooling, based on the considerations set forth in the *Numbering Resource Optimization Notice*. For example, we encourage the New York Commission to consider number pooling in areas where multiple, LNP-capable carriers exist. We also suggest to the New York Commission that it allow for exceptions to participating in a pooling trial, if doing so would prove prohibitively expensive to a particular carrier. For example, certain switch types may not be able to accommodate thousands-block number pooling. Finally, as we stated in the *Numbering Resource Optimization Notice*, we encourage the New York Commission, to the extent it has not already done so, to consider consolidating rate centers prior to implementing pooling. Fewer, larger pools logically increase the effectiveness of thousands-block pooling.
- 21. We reiterate that the authority we grant herein to the New York Commission to undertake a thousands-block pooling trial is interim in nature, and is in no way intended to relieve the New York Commission of its obligation to implement necessary area code relief in a timely fashion. Whatever decisions this Commission reaches with regard to thousands-block pooling administration and guidelines will supersede whatever systems the New York Commission puts in place prior to enactment of those rules.
- 22. Reclamation of unused and reserved NXX codes. The CO Code Assignment Guidelines provide that carriers shall activate NXXs within six months of the "initially published effective date." Most commenters support the reclamation of unused codes, ⁵⁶ and those

administrator must be chosen and responding to requests from carriers for numbering resources.

⁵⁰ See Letter from Todd D. Daubert, Counsel for Winstar, to Magalie R. Salas, Secretary, FCC, dated July 28, 1999 (detailing concerns with expanding the thousands-block pooling trial in Illinois to other NPAs, and noting that Winstar requires approximately 90 days to prepare its OSS systems for new pooling markets).

⁵¹ Numbering Resource Optimization Notice at ¶¶ 148-53.

⁵² See Numbering Resource Optimization Notice at ¶ 149.

⁵³ See id. at ¶ 151.

⁵⁴ See id.

⁵⁵ See Central Office Code (NXX) Assignment Guidelines, INC 95-0407-008 (rev. Apr. 26, 1999) at § 6.3.3 (CO Code Guidelines). This document is available at http://www.atis.org/atis/clc/incdocs.htm.

opposed to this delegation are not necessarily opposed to reclaiming unused codes in general, but rather assert that the North American Numbering Plan Administrator (NANPA) is responsible for reclamation activities. Reclaiming NXX codes that are not in use may serve to prolong the life of an area code, because these codes are added to the total inventory of assignable NXX codes in the area code. Therefore, we grant authority to the New York Commission to investigate whether code holders have activated NXXs assigned to them within the time frames specified in the CO Code Assignment Guidelines, and to direct the NANPA to reclaim NXXs that the New York Commission determines have not been activated in a timely manner. This authority necessarily implies that the New York Commission may request proof from all code holders that NXX codes have been "placed in service" according to the CO Code Assignment Guidelines. We further direct the NANPA to abide by the New York Commission's determination to reclaim an NXX code if the New York Commission is satisfied that the code holder has not activated the code within the time specified by the CO Code Assignment Guidelines.

23. We note that the CO Code Assignment Guidelines dictate substantial procedural hurdles prior to reclaiming an unused NXX, in part to afford the code holder an opportunity to explain the circumstances that have led to a delay in code activation. New entrants, in particular, may suffer unexpected delays or scheduling setbacks beyond their control, which lead to code activation delays. We clarify that the New York Commission need not follow the reclamation procedures set forth in the CO Code Assignment Guidelines relating to referring the issue to the Industry Numbering Committee (INC), as long as the New York Commission accords the code holder an opportunity to explain the extenuating circumstances, if any, behind the unactivated NXX codes. We decline to grant the broad authority requested by the New York Commission to tighten timeframes for reclamation without a more detailed proposal for what the

⁵⁶ California Commission comments at 4-5; Level 3 comments at 2; MediaOne comments at 6; RCN comments at 7.

⁵⁷ AT&T comments at 20; MCI WorldCom comments at 14.

Under the CO Code Assignment Guidelines, carriers are obligated to submit to the NANPA within six months of the requested effective date of newly obtained NXX codes a Part 4 certification that the code has been placed in service. See CO Code Assignment Guidelines NXX Assignment Request Form, Part 4.

For example, the CO Code Assignment Guidelines dictate that the CO Code Administrator must refer to the INC for resolution any matter relating to an NXX code that has not been activated within the timeframe specified in the guidelines. CO Code Assignment Guidelines at § 8.2.2. The INC must then investigate the referral and attempt to resolve the referral. CO Code Assignment Guidelines at § 8.3. Absent consensus resolution, the matter is then referred to the "appropriate regulatory body" for resolution. *Id*.

See Level 3 comments at 3-4 (stating that carriers should not be forced to return unused NXX codes prematurely if business plans call for their use in the foreseeable future); MediaOne comments at 6 (stating that CLECs that obtain codes prior to launching service must have the flexibility to activate initial codes while in the process of rolling out telephony throughout the state); RCN comments at 7 (noting that CLECs may place orders for NXX codes months in advance to ensure sufficient resources when they begin offering service).

new timeframes would be or how shorter timeframes would assure carriers' equitable access to numbering resources. ⁶¹

- 24. Reclamation of portions of unused NXX codes. The New York Commission also requests the authority to reclaim unused blocks of 1,000 numbers from code holders in New York. Although not explicitly stated by the New York Commission, the only logical purpose for reclaiming unused thousands blocks would be in conjunction with a number pooling trial. Reclamation of blocks of 1,000 numbers with no, or a relatively low contamination rate, has the potential to add significant numbering resources in areas where thousands-block pooling has been implemented. Parties opposed to thousands-block pooling trials are similarly opposed to reclaiming unused, or lightly used, blocks of 1,000 numbers. Therefore, to the extent we have delegated the authority to initiate thousands-block number pooling trials, we also delegate authority to the New York Commission to reclaim unused thousands blocks in connection with those trials. The conditions that apply to the implementation of a thousands-block number pooling trial shall also apply to any reclamation of unused blocks of numbers. In particular, the industry's guidelines regarding reclamation of thousands blocks shall govern this delegation of authority to the New York Commission.
- 25. Setting fill rates and requiring utilization surveys. The New York Commission seeks authority to establish minimum fill rates which carriers would have to meet in order to be assigned more numbering resources. Subject to the conditions set forth below, we hereby delegate authority to the New York Commission to require NXX code applicants to demonstrate that they have met certain fill rates prior to obtaining additional numbering resources, even in non-jeopardy NPAs. Specifically, the New York Commission may require that carriers achieve a certain fill rate in growth NXX codes and within thousands blocks, in areas where it has implemented thousands-block pooling. The New York Commission may also require that

⁶¹ Petition at 13.

⁶² Petition at 12.

⁶³ Numbering Resource Optimization Notice at ¶ 187.

⁶⁴ See, e.g., MCI WorldCom comments at 14.

⁶⁵ See Thousand Block Pooling Guidelines at §§ 8.1.4-8.1.5 (specifying only that blocks with less than ten percent contamination shall be donated to the industry pool of thousands blocks).

⁶⁶ Petition at 9.

The Pennsylvania Numbering Order invited states to consider imposing usage thresholds on carriers before obtaining NXX codes within the same rate center in jeopardy situations subject to state-ordered NXX code rationing plans. Pennsylvania Numbering Order at 19025-26, ¶ 24.

A "growth" code is an additional NXX code requested for an established switching entity, point of interconnection, or rate center when the telephone numbers available for assignment in previously assigned NXX codes will not meet expected demand. CO Code Guidelines at § 13.0. An "initial" code is the first NXX code assigned to the carrier at a new switching entity, POI or unique rate center, and the administrator is to assign initial codes to the extent required to terminate traffic. *Id.*

carriers submit a utilization survey in connection with requests for additional numbering resources.⁶⁹

- Notwithstanding this grant of authority to the New York Commission, we remain 26. very concerned about the potential competitive impact of imposing a fill-rate regime on carriers' ability to serve customers. For example, commenters point out that mandatory fill rates or utilization thresholds may interfere with a carrier's ability to meet customers' demands for new services.⁷⁰ This is largely due to the time it takes to activate an NXX code in nationwide databases. 71 If a carrier has a relatively high rate of customer demand for service, it may reach the requisite fill rate, but be unable to get more numbering resources in time to meet customer demand.⁷² Furthermore, a strict fill-rate regime may not accommodate customers' requests for specific numbers or specific ranges of numbers. These concerns and others about the use of fill rates as opposed to the industry's current "months-to-exhaust" model are set forth in the Numbering Resource Optimization Notice. 73 In this light, although we do not wish to dictate the parameters of the fill-rate regime, we urge the New York Commission to allow for some flexibility in establishing fill rates and applying them to carriers. Our primary concern, therefore, is that fill rates not be applied in such a manner as to deprive customers of their choice of carriers from whom to purchase service upon request.
- 27. We are also concerned about the impact of multiple, disparate number conservation regimes on the availability of telecommunications services and the industry's ability to forecast and plan properly for exhaust of the NANP.⁷⁴ Therefore, during its implementation of this authority, we ask that the New York Commission consult and coordinate with other state commissions that may obtain authority to impose fill rates.⁷⁵ We encourage the New York Commission to establish fill rates that are not inconsistent with those imposed by other states.

⁶⁹ Petition at 13-14.

⁷⁰ AT&T comments at 13-14.

The CO Code Assignment Guidelines state that NXX code applicants should request "effective dates" for code activation at least 66 days after the receipt of a code request to allow 45 days for activation plus 21 days for code request processing. CO Code Assignment Guidelines at § 6.1.2.

⁷² See AT&T comments at 14; MCI WorldCom comments at 12.

⁷³ Numbering Resource Optimization Notice at ¶¶ 62-68.

⁷⁴ See Pennsylvania Numbering Order at 19019-20, ¶ 15.

To Implement Telecommunications Numbering Conservation Measures, *Public Notice*, NSD File Nos. L-98-136, L-99-19, L-99-21, L-99-27, L-99-33, DA 99-1198 (rel. June 22, 1999) (California, Florida, Maine, Massachusetts, New York); Common Carrier Bureau Seeks Comment on the Texas Public Utility Commission Petition for Delegation of Additional Authority to Implement Number Conservation Measures, *Public Notice*, NSD File No. L-99-55, DA 99-1380, (rel. July 14, 1999); Common Carrier Bureau Seeks Comment on the Connecticut Department of Public Utility Control's Petition for Delegation of Additional Authority to Implement Area Code Conservation Measures, *Public Notice*, NSD File No. L-99-62, DA 99-1555 (rel Aug. 5, 1999).

- 28. Despite these concerns, we recognize the need to address the critical situation in New York. In setting certain guidelines for the New York Commission to follow, we hope to allay concerns about possible competitive impacts, while enabling the New York Commission to adopt a quantifiable means of ensuring that carriers are using their numbers with maximum efficiency.
- 29. First, the New York Commission may only consider a carrier's fill rate in relation to growth codes. We do not believe that a carrier's ability to establish a service "footprint" should be restricted. That is, a carrier ought to be able to obtain initial numbering resources in rate centers where the carrier is authorized to offer service and plans to do so within the NXX activation timeframe established by the CO Code Assignment Guidelines (six months). We wish to avoid imposing barriers to competitive entry into the telecommunications marketplace to service providers with a legitimate demand for service in New York. A carrier that is newly providing service may not be able to achieve a prescribed fill rate in an NXX code (or thousands-block, if the numbering request is in an area where the New York Commission has instituted thousands-block number pooling) for quite some time. With respect to fill rates, however, we conclude that, the importance of bringing choice to consumers outweighs the numbering inefficiencies experienced by new entrants.
- 30. Second, as stated in the *Pennsylvania Numbering Order*, we are concerned that granting this request and other, similar requests will overburden the NANPA, which based its bid for providing number administration services on industry guidelines that are applicable nationwide. Therefore, to avoid imposing an additional burden on the NANPA, to the extent that the New York Commission chooses to implement a fill-rate requirement, we delegate authority to the New York Commission to require carriers to submit utilization surveys prior to being assigned additional numbering resources.⁷⁷ To avoid delay in NXX code application processing, we direct the New York Commission to conduct its review of carrier compliance with any required fill rate within the ten-day timeframe established by the CO Code Assignment Guidelines as the time in which the NANPA must respond to an applicant's NXX code request. Of course, a carrier's failure to provide the New York Commission with adequate evidence of compliance with the fill-rate requirement upon request will toll the running of this 10-day timeframe. Further, while we delegate to the New York Commission the authority to request and evaluate information provided by carriers to demonstrate compliance with the fill rate, we request that the New York Commission not release such information to any entity other than the NANPA, this Commission, or the Common Carrier Bureau.
- 31. Enforcement. The New York Commission seeks authority to enforce compliance with number assignment requirements and conservation measures.⁷⁸ We have, above, granted

See Pennsylvania Numbering Order at 19031-32, ¶ 33 (finding that if every state commission implemented its own NXX code administration measures, the NANPA would have the potentially impossible task of performing its code administration and NPA relief planning functions in a manner consistent with industry guidelines and fifty-one different state regimes).

⁷⁷ Petition at 13-14.

⁷⁸ Petition at 12, 15-16.

the New York Commission the authority to enforce procedures relating to the reclamation of NXX codes and we have granted the New York Commission the authority to require the submission of number utilization surveys prior to the grant of additional numbering resources. We believe that this additional enforcement authority will provide the New York Commission with the tools necessary to ensure that carriers are held more accountable for the use of the numbering resources. If the New York Commission has additional, specific requests for greater enforcement authority, we encourage it to file an additional request for delegated authority with this Commission.

- Additional NXX code rationing authority. The New York Commission has also 32. sought the authority to adopt NXX code rationing procedures prior to arriving at an NPA relief plan. 80 Although the New York Commission may order and revise rationing processes where it has ordered area code relief and established a relief date, and the industry has been unable to reach consensus on a rationing plan, 81 we decline to grant the New York Commission the broad authority it seeks to adopt rationing measures prior to having decided on a specific plan for area code relief. As determined in the Pennsylvania Numbering Order, the rationing of NXX codes should only occur when it is clear that an NPA will run out of NXX codes before implementation of a relief plan.⁸² Therefore, we delegated authority to state commissions to order NXX code rationing in conjunction with area code relief decisions, if the industry had been unable to reach consensus on a rationing plan to extend the life of an area code until implementation of relief. We believe that the authority we are herein delegating to the New York Commission will provide the New York Commission the tools it needs to address the underlying behaviors contributing to the inefficiencies of numbering use in New York. We hope that the New York Commission's judicious exercise of these measures will, indeed, extend the lives of area codes in New York, as well as whatever new area codes must be introduced in New York.
- 33. On our own motion, however, we grant the New York Commission the authority to address extraordinary need for numbering resources in an NPA subject to a rationing plan. We conclude that such delegation will provide the New York Commission with sufficient authority to assure that customers in New York retain their choice of service providers in the face of an NXX code rationing scheme. In its Petition, the new York Commission refers to circumstances in which under the industry consensus rationing plan in place in the 516 NPA, Sprint PCS had virtually exhausted all of its available numbers in the Suffolk rate center, and without the additional numbering resources, may have been unable to provide service to new customers.⁸³ Because this Commission had not delegated authority to the New York

See supra ¶ 22-23. We also note that enforcement of rules and industry regulations is a topic of the Numbering Resource Optimization Notice. See Numbering Resource Optimization Notice at ¶ 91-94.

According to the New York Commission, 6 NXX codes are being rationed each month in the 508 and 617 area codes, 8 are being rationed monthly in the 781 area code, and 10 are being rationed in the 978 area code. Petition at 8.

⁸¹ See Pennsylvania Numbering Order at 19026, ¶ 25

⁸² Pennsylvania Numbering Order at 19025, ¶ 24.

⁸³ Id. at 2.

Commission to address this situation, Sprint PCS was obligated to petition this Commission for relief.⁸⁴ On March 12, 1999, this Commission ordered the NANPA to release immediately two NXX codes from the 516 NPA to Sprint PCS.⁸⁵

- 34. In order to address such situations, if requested, the New York Commission may hear and address claims of carriers claiming that they do not, or in the near future will not, have any line numbers remaining in their NXX codes, and will be unable to serve customers if they cannot obtain an NXX code, or that they are using or will have to use extraordinary and unreasonably costly measures to provide service. 86 This grant of authority further empowers the New York Commission to direct the NANPA to assign an NXX code to a carrier outside the rationing plan currently in place in an area code, upon the New York Commission's determination that such relief is necessary. We also grant the New York Commission the authority to request whatever information it deems necessary to evaluate a carrier's request for additional numbering resources. This information may include the carrier's business plan, requests for new service that the carrier has denied because of its lack of numbering resources, historical information on the carrier's growth rate, and information on any extraordinary steps the carrier is taking to provide service. 87 Further, while we delegate to the New York Commission the authority to request and evaluate this information, we request that it not release such information to any entity other than the NANPA, this Commission, or the Common Carrier Bureau. This grant of authority empowers the New York Commission to ensure that carriers in dire need of numbering resources can obtain the numbering resources necessary to continue to provide service to their prospective customers, if the rationing plan will not ensure that the carrier will have adequate and timely access to numbering resources.
- 35. Auditing carriers' use of numbering resources. The New York Commission proposes to conduct number utilization audits to determine that only applicants with a demonstrated need for numbering resources actually receive them, and to ensure that previously allocated resources are being used efficiently.⁸⁸ We agree with parties that the New York Commission should be able to monitor carriers' use of numbering resources, if it chooses to do so.⁸⁹ We therefore delegate authority to the New York Commission to conduct audits of carriers'

In response to a request in the *Pennsylvania Numbering Order*, the NANC considered, but was unable to reach a consensus on, whether state commissions or the NANPA should be the entity to rule on requests from carriers for numbering resources outside of a rationing plan. Letter from Alan C. Hasselwander, Chairman, North American Numbering Council, to Lawrence E. Strickling, Chief, Common Carrier Bureau, dated December 7, 1998.

⁸⁵ Cf. Petition at 14; see also Sprint PCS Request for Emergency Numbering Relief in the 516 NPA, Letter Order, NSD File No. 99-25, DA 99-505 (rel. March 12, 1999).

⁸⁶ Pennsylvania Numbering Order at 19039, ¶ 49.

⁸⁷ See id.

⁸⁸ See Petition at 16.

See generally Cablevision Lightpath comments at 3 (supporting request for authority to perform audits to ensure that thousands-block pooling is mandatory); California Commission comments at 16 (stating that although NANPA should collect number utilization data and conduct audits, states should be allowed to perform

use of numbering resources. We reiterate, however, that because this is a topic of the *Numbering Resource Optimization Notice*, this grant of authority is limited in duration until such time as this Commission enacts rules or policies relating to auditing carriers' use of numbering resources.⁹⁰

- New York Commission requests the authority to implement Unassigned Number Porting (UNP) and Individual Telephone Number Pooling (ITN) as additional tools to conserve numbering resources. As described in the NANC Report, UNP is a telephone number usage optimization measure where available individual telephone numbers in one service provider's inventory are ported, using LNP, to another service provider under the direction of a neutral third party coordinator for assignment by the second service provider to a specific customer. ITN is similar to UNP, except that the pool of numbers from which carriers receive numbering resources is under the control of a Pooling Administrator, rather than in some other carrier's inventory. The NANC Report focused on the use of UNP in extreme cases of number shortages, where individual service providers are otherwise completely unable to obtain telephone numbers to serve customers. The New York Commission has not provided us with information relating to the details of the proposed use of UNP or ITN in New York.
- 37. We agree with most of the industry commenters that UNP and ITN are currently at too early a stage of development to order implementation. ⁹⁴ In the *Numbering Resource*

the function if they so choose); Howard Bell comments at 1-2 (supporting the Petition provided the New York Commission and the Common Carrier Bureau agree upon the data to be collected concerning the conservation measures which the New York Commission implements); But see AT&T comments at 18 (granting authority to audit carriers' use of numbers "short-circuits" the Numbering Resource Optimization rulemaking proceeding); MCI WorldCom comments at 13 (stating that as the NANC is developing audit requirements, states should not be authorized to conduct their own audits); Nextel comments at 6 (contending that the New York Commission has not provided any reason why it should assume audit responsibilities and create inconsistent guidelines for carriers operating in New York); PageNet comments at 5 (stating that wireless carriers should not be required to report on utilization within thousand blocks); USTA comments at 8 (stating that New York Commission's request for audit authority should fail on account of vagueness).

⁹⁰ See Numbering Resource Optimization Notice at ¶¶ 83-90.

⁹¹ NANC Report at § 6.1.1.

⁹² See Numbering Resource Optimization Notice at ¶ 139.

⁹³ NANC Report at § 6.1.1.

AT&T comments at 12 (stating that UNP is undeveloped and cannot be implemented in any meaningful way, but it may be appropriate to revisit the issue of whether a state-ordered UNP trial is appropriate following successful implementation of thousands-block pooling); Bell Atlantic comments at 2 (stating that implementing UNP with nationwide implementation of thousands-block pooling would only complicate and delay thousands-block pooling); MediaOne comments at 8-9 (stating that UNP puts a carrier at the mercy of its competitors to satisfy numbering requirements); RCN comments at 5 (stating that national standards are necessary for implementation of UNP); USTA comments at 6 (stating that implementing UNP anywhere would divert essential industry resources from the resolution of issues associated with thousands-block number pooling). See also California Commission comments at 13 (noting that more information is needed as to how UNP would work, and urging this Commission to address and resolve the issue).

Optimization Notice, we tentatively concluded that technical and administrative standards for ITN pooling were not developed enough to warrant pursuing ITN as a numbering optimization measure. 95 We are also concerned with the impact of UNP on carriers' ability to control their own number inventories. With UNP, because service providers will obtain telephone numbers from other service providers' inventories, the service provider donating numbers may face difficulty forecasting future numbering needs. ⁹⁶ The NANC Report indicates that many companies' OSSs are designed to accommodate large inventories of telephone numbers, linking each street address to an NPA/NXX combination. If UNP and ITN lead to significant number porting, this mapping logic becomes quite difficult to support. 97 We are also concerned with UNP's and ITN's potential impact on companies' switching systems. UNP and ITN may cause problems with switches that can only accept a limited number of NXX codes, as number inventories will be increasingly composed of random telephone numbers from many different NXX codes.⁹⁸ Bell Atlantic raises the concern that implementing UNP now might complicate the effort to move to thousands-block pooling, as carriers' efforts to preserve uncontaminated, or minimally contaminated, blocks of numbers may be undermined. 99 For the aforementioned reasons, we decline to grant the New York Commission's request for authority to implement UNP and ITN pooling.

38. We emphasize, however, that our determination not to grant the New York Commission the authority to order carriers to use UNP does not preclude carriers from voluntarily engaging in UNP where mutually agreeable and where there are no public safety or network reliability concerns. As a matter of fact, we encourage the carriers to do so. Furthermore, we also encourage the New York Commission and the carriers to work together to identify and promote other innovative measures as well that would encourage the conservation of NXX codes.

IV. CONCLUSION

39. We recognize the difficult situation for consumers in New York, who face several area code changes during the next few years. The authority we have herein delegated to the New York Commission, we hope, will provide it the tools it needs to address the situation. For example, the authority to order thousands-block pooling trials allows the New York Commission to address inefficiencies on the supply side of the telephone number assignment regime by ordering that LNP-capable carriers receive smaller blocks of numbers than they now do. The authority to address carriers' fill rates allows the New York Commission to address the demand side of the number assignment regime by requiring that carriers not request more numbering resources until they have used a certain percentage of those already in their inventory.

⁹⁵ Numbering Resource Optimization Notice at ¶ 141.

⁹⁶ NANC Report at § 6.6.2.

⁹⁷ NANC Report at § 6.6.3.

⁹⁸ NANC Report at § 6.6.4.1.

⁹⁹ Bell Atlantic comments at 2.

V. ORDERING CLAUSES

40. Accordingly, pursuant to sections 1, 4(i), and 251 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), and 251, and pursuant to sections 1.1 and 52.9(b) of the Commission's Rules, 47 C.F.R. §§ 1.1 and 52.9(b), IT IS ORDERED that the New York Department of Public Service Petition for Additional Delegated Authority to Implement Number Conservation Measures is GRANTED IN PART and DENIED IN PART to the extent described herein.

Papelie Roman Julas

Magahe Roman Salas

Secretary